

Doe v. Myspace, Inc. et al

DOC # 1

Doc. 35 Att.

Clifford Thau (CT 8708)
 Hilary L. Preston (HP 7019)
 Ronald Oran (RO 3317)
 VINSON & ELKINS L.L.P.
 666 Fifth Avenue, 26th Floor
 New York, New York 10103-0040
 Tel: (212) 237-0000
 Fax: (212) 237-0100

UNITED STATES DISTRICT COURT FOR
 THE SOUTHERN DISTRICT OF NEW YORK

JANE DOE, Individually and
 As Next Friend of JULIE DOE, a minor,

Plaintiffs,

v.

MYSPACE, INC., and
 NEWS CORPORATION,

Defendants.

Cause No.

06 CV 7880

JUDGE CEDARBAUM



NOTICE OF REMOVAL

Defendant MySpace, Inc. ("MySpace") hereby removes this action pursuant to 28 U.S.C.

§§ 1441 and 1446.

I.

STATEMENT OF THE CASE

On or about September 29, 2006, Plaintiffs Jane Doe, individually, and as next friend of Julie Doe, filed this lawsuit against MySpace, Inc. and News Corporation. The underlying cause of action arises from the alleged sexual assault of Julie Doe by Pete I. Solis, a Texas resident

who is not named as a party to this suit. MySpace denies any wrongdoing and denies that the plaintiffs are entitled to any of the requested relief. But based on these claims, there is federal jurisdiction over this action under 28 U.S.C. § 1332(a). MySpace has satisfied all of the procedural requirements of 28 U.S.C. § 1446 and thereby removes this action to the United States District Court for the Southern District of New York pursuant to 28 U.S.C. § 1441.

II.

THE REQUIREMENTS FOR REMOVAL UNDER THE GENERAL DIVERSITY JURISDICTION STATUTE, 28 U.S.C. § 1332(a), ARE SATISFIED.

The requirements for removal under 28 U.S.C. § 1332(a) are satisfied:

Diversity of Citizenship. At the time of the filing of this action and as of the date of this notice, there is complete diversity of citizenship between the plaintiffs and the defendants.

At the time of the filing of this action and as of the date of this notice, plaintiffs Jane Doe and Julie Doe were and are residents and citizens of Texas. Verified Complaint ¶¶ 1, 2. Because the plaintiffs filed their Verified Complaint under pseudonyms, the address of the plaintiffs is unknown to MySpace. At the time of the filing of this action and as of the date of this notice, MySpace was and is a Delaware corporation with its principal place of business in California. At the time of filing and removal, MySpace was and is therefore a citizen of Delaware and California. At the time of the filing of this action and as of the date of this notice, News Corporation was and is a Delaware corporation with its principal place of business in New York. At the time of removal, News Corporation is therefore a citizen of Delaware and New York; News Corporation has not yet been served, so this removal is timely and proper under 28 U.S.C. § 1441(b). MySpace has also not yet been served.

Amount in Controversy. The amount in controversy exceeds \$75,000, exclusive of interest and costs. The plaintiffs seek, among other relief, the following relief from the Court:

- (1) economic and non-economic damages;
- (2) punitive or exemplary damages in an amount to be determined by the trier of fact; and
- (3) all attorneys' fees and expenses incurred by the plaintiffs.

MySpace denies that the plaintiffs are entitled to any of these damages. However, given all of this requested relief and the type of allegations set forth in the Verified Complaint, on information and belief, each plaintiff seeks more than \$75,000, exclusive of interest and costs.

Timeliness. This removal notice is timely filed as required by 28 U.S.C. § 1446(b).

Defendants' Consent to Removal. Other than MySpace, the only defendant is News Corporation, which has not been served. MySpace anticipates that News Corporation would consent to removal if served.

III.

THE OTHER PROCEDURAL REQUISITES FOR REMOVAL ARE SATISFIED

MySpace has complied with 28 U.S.C. §§ 1446(a) and (d). All of the pleadings and documents filed in court are compiled as Exhibit 1. Thus, as required by 28 U.S.C. § 1446(a) and local rule 81.1 of this Court, this notice of removal is accompanied by a true and correct copy of all process, pleadings, orders, and other papers filed in this action. Pursuant to 28 U.S.C. § 1446(d), a notice of filing of removal, with a copy of this notice of removal attached, will be filed with the clerk of the Supreme Court of the State of New York, County of Bronx, and MySpace will promptly serve a copy of this notice of the removal on the plaintiffs' attorney.

IV.

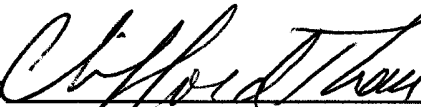
CONCLUSION

By this notice, MySpace does not waive any objections it may have to service, jurisdiction, or venue, or any other defenses or objections to this action. MySpace intends no

admission of fact, law, or liability by this notice, and reserves all defenses, motions, and pleas. MySpace prays that this action be removed to this Court for determination; that all further proceedings in the state court suit be stayed; and that MySpace obtain all additional relief to which it is entitled.

Respectfully submitted,

VINSON & ELKINS L.L.P.

By 

Clifford Thau (CT 8708)
Hilary L. Preston (HP 7019)
Ronald Oran (RO 3317)
666 Fifth Avenue
New York, New York 10103
(212) 237-0000

Attorneys for MySpace, Inc.

**ATTORNEYS FOR DEFENDANT
MYSPEACE, INC.**



1

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF BRONX

JANE DOE, Individually, and,
As Next of Friend of JULIE DOE, a Minor.

Plaintiffs,

v.

MYSpace, INCORPORATED.; and,
NEWS CORPORATION.

Defendants.

x
Date Filed: 9/25/06

Index No.: 21278106

SUMMONS

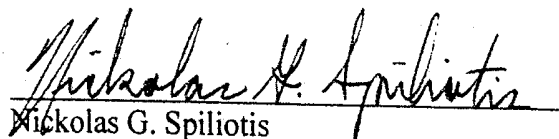
Plaintiffs designate venue as
Bronx County

Basis of venue is Defendant
News Corp.'s Headquarters and
Principal Place of Business

TO THE ABOVE NAMED DEFENDANTS:

YOU ARE HEREBY SUMMONED to answer the complaint in this action and to serve a copy of your answer on the Plaintiff's attorney within 20 days after the service of this summons, exclusive of the day of service, or within 30 days after the service is complete if this summons is not personally delivered to you within the State of New York. In case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the complaint, together with the cost of this action.

DATED: September 25, 2006
Houston, Texas


Nicholas G. Spiliotis

Kurt B. Arnold

Jason A. Itkin

ARNOLD & ITKIN LLP

700 Louisiana Street, Suite 4700

Houston, Texas 77002

(713) 222-3800

FILED

SEP 26 2006

BRONX COUNTY CLERK'S OFFICE

Adam J. Loewy

Carl R. Barry

BARRY & LOEWY LLP

One Congress Plaza

111 Congress Avenue, Suite 400

Austin, Texas 78701

(800) 892-5044

ATTORNEYS FOR PLAINTIFFS

Defendant's Addresses:

MYSpace, INCORPORATED
1332 2nd Street
Santa Monica, CA 90401

NEWS CORPORATION
1211 Avenue of the Americas
New York, New York 10036

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF BRONX

----- X
JANE DOE, Individually, and,
As Next of Friend of JULIE DOE, a Minor.

Plaintiffs,

v.

MYSPACE, INCORPORATED. and
NEWS CORPORATION.

Defendants.
----- X

VERIFIED COMPLAINT

Index No. 21278/06

FILED
SEP 26 2006
BRONX COUNTY CLERK'S OFFICE

Plaintiffs, Jane Doe, individually, and as next of friend of Julie Doe, a minor ("Plaintiffs"), seek damages against Defendants MySpace Incorporated ("Myspace") and News Corporation ("News Corp.") for negligence, gross negligence, fraud and negligent misrepresentation – Defendants MySpace and News Corp. are jointly and severely liable for all of Plaintiffs' causes of action. Plaintiffs would respectfully show the Court as follows:

The Parties

1. Plaintiff, Julie Doe, is a 14-year-old minor who resides in Texas.
2. Plaintiff, Jane Doe, is the parent and legal guardian of Julie Doe and resides Texas.

3. Defendant, MySpace Incorporated, is a Delaware Corporation and a wholly-owned subsidiary of Defendant News Corp. MySpace is authorized to conduct and transact business in the State of New York, and does in fact regularly conduct and transact business in the State of New York. Myspace's decisions and/or lack of decisions in New York have caused the underlying events in this lawsuit.

4. Defendant, News Corporation, is a Delaware Corporation with its headquarters and principal place of business in New York, New York. News Corp. is authorized to conduct and transact business in the State of New York, and does in fact conduct and transact business in the State of New York. News Corp.'s decisions and/or lack of decisions in New York have caused the underlying events in this lawsuit.

5. Venue in this Court is proper as News Corp. is headquartered and its principal place of business is in New York, New York.

Facts

An Overview of MySpace

6. MySpace.com ("Myspace") is a social networking internet website where children and adults of all ages are encouraged to sign up and socialize in cyberspace. Founded in July 2003 by Tom Anderson and Chris DeWolfe, MySpace quickly exploded in popularity and became an online force to be reckoned with. In less than two years, MySpace has amassed more than 100 million registered users worldwide. As of July 11, 2006, Myspace is the world's most visited domain on the internet for internet users located in the United States.¹

¹ Bill Tancer, *Myspace Moves to #1 Position for all Internet Sites*, Hitwise Intelligence Analyst Blogs, July 11, 2006 at http://weblogs.hitwise.com/bill-tancer/2006/07/myspace_moves_into_1_position.html.

7. In an attempt to capitalize on this success, Tom Anderson and Chris DeWolfe sold MySpace and its parent company, Intermix Media, Inc., to News Corp. for an estimated \$649 million. News Corp. is a worldwide media conglomerate with approximately \$55 billion in total assets and approximately \$24 billion per year in annual revenues.

8. To access the social network, one must create a MySpace account. In order to create a MySpace account, all one has to do is enter a name, email address, gender, country, and date of birth. None of this information has to be true. MySpace does not have any verification mechanism in place to authenticate a new user's age or identification information. MySpace represents that a user must be at least 14 years of age to join – of course, this is not subject to any form of authentication. Thus, MySpace does not have any verification mechanism to ensure its users are of the age they claim to be, effectively providing a complete blanket of anonymity.

9. Once signed up, each MySpace user is given his or her own personal webpage to create. MySpace users are then prompted to post photographs and personal information on their webpage. Typically, a MySpace user's webpage is viewable by any other MySpace user. Further, any MySpace user can contact any other MySpace user through internal email and/or instant messaging on MySpace. Myspace users of all ages are then encouraged to begin socializing with other Myspace users.

10. MySpace currently has more than 100 million registered users online. It is also estimated that MySpace has over thirty (30) billion page views per

month.² Ross Levinsohn, Senior Vice President and General Manager of Fox Interactive Media (a wholly-owned subsidiary of News Corp.), says that not even the internet giant Google.com³ believes it can provide enough advertisements to fill all the pages that MySpace displays each day.³

11. The catalyst behind MySpace's amazing surge in popularity is their underage users demographic. According to MySpace, approximately 22 percent of MySpace visitors are minors, under the age of 18.⁴ MySpace actively and passively markets itself to minors.

12. Rupert Murdoch, News Corp. Chairman and Chief Executive Officer, is well aware that MySpace's continued success is directly tied into the website's appeal among young people, and the advertising revenue MySpace can generate.⁵ News Corp., the parent company that wholly-owns Myspace, is adamant that MySpace CEO Chris DeWolfe find a way to make much more money from MySpace.⁶ MySpace is projected to generate around \$200 million dollars in revenue this year, and has the potential to generate much more revenue as MySpace's popularity with the young

² Michael Arrington, *The 27.4 Billion Pound Gorilla*, TechCrunch, June 13, 2006, at <http://www.techcrunch.com/2006/06/13/MySpace-the-27-billion-pound-gorilla>.

³ Saul Hansell, *For MySpace, Making Friends Was Easy. Big Profit is Tougher.*, The New York Times, April 23, 2006.

⁴ Julia Angwin and Brian Steinberg, *News Corp. Goal: Make MySpace Safer For Teens*, The Wall Street Journal, February 17, 2006.

⁵ Saul Hansell, *For MySpace, Making Friends Was Easy. Big Profit is Tougher.*, The New York Times, April 23, 2006.

⁶ *Id.*

teenagers continues to grow.⁷ News Corp. ultimately controls the short and long term business decisions associated with Myspace.

13. The News Corp. CEO is equally aware of the dangers MySpace poses to underage minors using MySpace. In his February 13, 2006 interview with Newsweek Magazine, when asked about claims by law enforcement that sexual predators are trolling Myspace in search of young victims, Mr. Murdoch stated,

*"We're being very proactive. We plan to reach out further to schools, principals, church groups and community organizations to educate them on the safety measures we've developed. For example, no one under 14 is allowed on the site, and there are strict limits on who can access profiles of users under 16..."*⁸

While attempting to expand MySpace's success and popularity with underage minors, he has been increasingly confronted by state Attorneys General across the United States and the public at large about the dangers Myspace poses to its underage users. Yet, Myspace has made no real effort to meaningfully increase the safety and security of their most important asset – young underage Myspace users. Sadly, Mr. Murdoch's initial strategy "seems to be to do nothing to interfere with whatever alchemy has attracted so many young people to MySpace in the first place."⁹

14. MySpace proudly represents to parents and the public at large that teenagers under the age of 14 are not allowed to join MySpace. MySpace represents that the website has protections in place so that MySpace users ages 14 and 15 cannot be contacted by adult MySpace users. MySpace has publicly represented that the website is

⁷ *Id.*

⁸ Len Irish, *Murdoch's New Groove*, Newsweek, February 13, 2006.

⁹ Saul Hansell, *For MySpace, Making Friends Was Easy. Big Profit is Tougher.*, The New York Times, April 23, 2006.

safe for its young underage users and that MySpace is doing everything to ensure it has adequate security measures in place to protect its young underage users.¹⁰

15. Despite MySpace's claims that Myspace is safe for young underage users, the facts suggest otherwise.

Adult Sexual Predators on MySpace

16. In the past year, a disturbing number of incidents have occurred nationwide in which adult MySpace users contacted young underage MySpace users on MySpace. The adult MySpace users then arranged to meet the minors and, often, sexually assaulted them. The following is a brief, non-exhaustive list, of a few of the criminal incidents that have resulted from adult MySpace users contacting young underage MySpace users on MySpace:

a. On December 29, 2005, John David Payne of Brenham, Texas, was arrested for soliciting sex from young underage MySpace users. Mr. Payne thought he was chatting with young underage MySpace users on MySpace but, in reality, they were actually undercover investigators. On or about May 10, 2006, Mr. Payne was again arrested for soliciting sex on MySpace from young underage MySpace users.¹¹

b. On March 2, 2006, Federal prosecutors charged Sonny Szeto, 22, of New York, for using MySpace to meet an 11-year-old girl.¹²

¹⁰ Julia Angwin and Brian Steinberg, *News Corp. Goal: Make MySpace Safer For Teens*, The Wall Street Journal, February 17, 2006.

¹¹ John Mortiz, *Attorney General Wants Web MySpace to Protect Young Users*, Fort Worth Star-Telegram, May 23, 2006.

¹² *MySpace.com to Bolster Security Measures*, Reuters Limited, March 3, 2006.

- c. On March 2, 2006, Federal prosecutors charged Stephen Letavec, 39, of Pennsylvania, for using MySpace to meet a 14-year-old girl.¹³
- d. On May 1, 2006, Aaron Whitney, 27, of Chaplin, Connecticut, was charged with sexually assaulting a 13-year-old girl he met on MySpace.¹⁴
- e. On May 6, 2006, Jesse Cahn, 22, of Stevens Point, Wisconsin, was charged with six counts of sexually assaulting a 14-year-old girl he met on MySpace.¹⁵
- f. On May 12, 2006, Juan Gomez, 34, of Mount Vernon, New York, was charged with the felony of attempted dissemination of indecent material to a minor. Mr. Gomez contacted a 14-year-old girl on MySpace and engaged her in sexually explicit conversations. He was arrested when he attempted to meet the 14-year-old girl.¹⁶
- g. On May 15, 2006, Matthew R. Gale, 26, of Macomb, Illinois, was charged with six counts of aggravated sexual abuse and four counts of criminal sexual assault of a 16-year-old girl he contacted on MySpace.¹⁷
- h. On May 22, 2006, a cyber crimes sting set up by the Texas Attorney General's Office netted the arrests of three adult men attempting to solicit sex from young underage MySpace users on MySpace.¹⁸

¹³ *Id.*

¹⁴ *Chaplin Man Arrested; Allegedly Met Girl, 13, on MySpace.com*, Norwich Bulletin, May 2, 2006.

¹⁵ News Channel 7, Wausau, Wisconsin, at <http://www.wsaw.com/home/headlines/2815471.html>.

¹⁶ *Ex-Teacher's Aide Caught in Pedophile Sting Operation*, North Country Gazette, May 12, 2006.

¹⁷ *Stacey Creasy, Police Dig into Suspect's Past*, Daily Review Atlas, May 15, 2006.

- i. On May 29, 2006, prosecutors in Cleveland, Ohio, charged two adult men, Albert Azolino, 21, and Timothy Norman, 33, with sexually assaulting a 14-year-old girl they contacted on MySpace.¹⁹
- j. On or about June 6, 2006, John Wentworth, 27, of Morris, Illinois, was charged with indecent solicitation of a child, attempted criminal sexual assault and aggravated criminal sexual abuse when he attempted to meet and sexually assault a 14-year-old girl he contacted on MySpace.²⁰
- k. On or about June 7, 2006, three Connecticut adult men were charged with numerous counts of sexual assault and risk of injury to a child for incidents involving two underage MySpace users they met on MySpace. Both girls were under the age of 16.²¹
- l. On or about June 10, 2006, Shaun Roethlisberger, 21, of Duluth, Minnesota, was charged with two counts of third-degree criminal sexual conduct for having sexual intercourse with a 14-year-old girl he met on MySpace.²²
- m. On or about June 12, 2006, Jay Coffield, 44, of Naperville, Illinois, was arrested for soliciting sex from a 14-year-old girl he met on MySpace.²³

Attorney Generals' Responses

¹⁸ News Channel 11, Houston, Texas at http://www.khou.com/news/local/stories/khou060522_ac_cybercrimessting.f9e1e54.html.

¹⁹ News Channel 3, Cleveland, Ohio at http://www.wkyc.com/news/watercooler/watercooler_article.aspx?storyid=53044.

²⁰ Jo Ann Hustis, *Man Charged with Solicitation*, Morris Daily Herald, June 12, 2006.

²¹ Tom Kasprzak, *5 Connecticut Males Charged in Net Sex Case Connected to Stonington Girls*, The Westerly Sun, June 7, 2006.

²² Mark Stodghill, *Sex Offender Arrested*, Duluth News Tribune, June 10, 2006.

²³ *Police Say Man Arranged Sex with Girl, 14, on MySpace.com*, Chicago Tribune, June 11, 2006.

17. The above-listed incidents have sparked considerable media attention and concern from the public. As a result of these incidents, several state Attorneys General opened investigations into MySpace's lax security policies. They all concluded that despite MySpace's express representations to the public, MySpace has no meaningful security measures or policies in place to protect young underage MySpace users.

18. On February 2, 2006, Connecticut Attorney Richard Blumenthal opened a formal investigation into MySpace. On March 20, 2006, Attorney General Blumenthal sent MySpace, through their attorneys, a formal letter requesting, among other things, that MySpace: (1) raise the minimum age for a MySpace user from 14 to 16; and (2) require MySpace users to log in and verify their age before viewing profiles. *See attached, Exhibit A*, fully incorporated herein by reference.

19. On March 24, 2006, Ohio Attorney General Jim Petro sent MySpace Chief Executive Officer Chris DeWolfe a formal letter detailing that Ohio children were in danger due to the lax operating policies of MySpace and, among other things, urged MySpace to: (1) increase the minimum user age from 14 to 16; (2) prohibit adult users from accessing the profiles of young underage MySpace users; and (3) require that all new users enter a verifiable credit card number during the registration process. *See attached, Exhibit B*, fully incorporated herein by reference.

20. Additionally, in March 2006, representatives for Massachusetts Attorney General Tom Reilly met with MySpace representatives to discuss their concerns about MySpace. Attorney General Reilly's office concluded that although MySpace maintains that only members under the age of 18 can view the profiles of members aged

14 to 15 years-old, their investigation revealed that MySpace does not have any system in place to verify its members' ages. Thus, nothing is preventing adult Myspace users from contacting young underage Myspace users.

21. On or about May 2, 2006, Attorney General Reilly sent a formal letter to MySpace company officials demanding that MySpace increase its minimum user age from 14 to 18 and institute an age and identify verification system. *See attached, Exhibit C*, fully incorporated herein by reference.

22. On May 22, 2006, Texas Attorney General Greg Abbott sent MySpace CEO Chris DeWolfe a notice letter expressing similar concerns. In it, Attorney General Abbott informed MySpace that:

"By not requiring bank account information or a credit card in order to access your services, *you have no way of authenticating the identify or age of your users, thereby providing a blanket of anonymity to those who wish to engage in criminal activity on your website.* Although I understand you currently use an age verification system, *our investigators have found it uncomfortably easy in a relatively short period of time to locate many underage profiles on your MySpace.* A system of identity/age verification via credit card or a verified email account would be a better system than the current methods used by your web MySpace." (emphasis added)

See attached, Exhibit D, fully incorporated herein by reference.

MySpace's Response

23. In light of these numerous incidents, pressure from Attorneys General around the United States, and a growing media interest, MySpace representatives went on the defensive and issued numerous public statements emphasizing the safety of MySpace for young underage MySpace users. In February 2006, MySpace representatives told CBS News that:

*"There are a number of specific procedures and policies in place to ensure users of all ages have a safe and meaningful experience. These include limiting use of the website to users who are at least 14 years of age and **providing special protections to users who are under 16 so that their personal information cannot be accessed by persons they do not know.**"*²⁴

Even Myspace's parent company, News Corp., came out publicly with a statement from its CEO, Rupert Murdoch, stating:

*"We're being very proactive. We plan to reach out further to schools, principals, church groups and community organizations to educate them on the safety measures we've developed. **For example, no one under 14 is allowed on the site, and there are strict limits on who can access profiles of users under 16...**"*²⁵

24. As of June 19, 2006, MySpace also expressly represents these policies in the "Terms and Conditions" section on MySpace. MySpace claims that it is "illegal" or "prohibited" to "solicit personal information from anyone under 18." MySpace also has a section entitled "Tips for Parents" where they state "MySpace members must be 14 years of age or older."

25. Notwithstanding MySpace's express representations to the contrary, problems of young underage MySpace users being contacted and sexually assaulted by adult Myspace users continue to plague MySpace. In further attempts to appease the public, in late April 2006, MySpace CEO Chris DeWolfe unveiled and widely-publicized a three-prong strategy to address growing safety concerns. The strategy included:

- (1) Putting in security technology, such as tools that allow children aged 14-16 years-old to shield their personal information from strangers;

²⁴ *MySpace.com Responds to Web Risks*, CBS News, February 6, 2006 (emphasis added).

²⁵ Len Irish, *Murdoch's New Groove*, Newsweek, February 13, 2006.

- (2) Increasing manpower to review photos and images uploaded by MySpace users; and
- (3) Hiring Hemanshu Nigam (a former Federal Prosecutor, and so-called "Safety Czar") to head-up MySpace security.²⁶

26. Unfortunately, MySpace's widely-publicized security strategy was simply public showmanship and a veiled attempt to appease the growing public outcry over their security concerns. MySpace knew that these measures did nothing to meaningfully increase the safety of young underage MySpace users. Yet, MySpace advertised it to the public as a substantial increase in the security of MySpace for young underage MySpace users. Tragically, by failing to properly address these concerns and institute meaningful security measures for young underage Myspace users, 14-year-old Julie was sexually assaulted by an adult MySpace user who found her on MySpace.

The Sexual Assault of 14-Year-Old Julie Doe

27. In the summer of 2005, 14-year-old Julie created a profile on MySpace. At the time, Julie was only 13-years-old. Despite MySpace's supposed safety precautions and protections prohibiting anyone under 14-years-old from using MySpace, Julie was easily able to create a profile. Julie did not regularly begin using MySpace until approximately February 2006.

28. On April 6, 2006, in complete contradiction to Myspace's and News Corp.'s direct and indirect representations to the contrary, a 19-year-old adult Myspace user (and a complete stranger) initiated contact with 14-year-old Julie via

²⁶ Jesse Hempel, *From MySpace to Safer Place?*, BusinessWeek, April 11, 2006.

MySpace and began his attempts to befriend her. Thus began a series of communications initiated by the 19-year-old adult Myspace user via Myspace.

29. On May 12, 2006, the 19-year-old adult Myspace user lured 14-year-old Julie out and sexually assaulted her.

30. On May 13, 2006, Jane Doe called the Austin Police Department to report the sexual assault of her minor daughter, 14-year-old Julie.

31. A detective from the Child Abuse Investigations Unit of the Austin Police Department conducted an investigation. In a videotaped confession, the 19-year-old adult Myspace user admitted to initiating contact with 14-year-old Julie on MySpace, soliciting her personal information, gaining her trust, and then sexually assaulting her. The 19-year-old adult Myspace user was then arrested by the Austin Police Department and indicted by the Travis County District Attorney's Office for Sexual Assault, a 2nd Degree Felony.

CAUSES OF ACTION

32. MySpace actively and passively encourages young underage age children to join MySpace, and then directs them to communicate and socialize with complete strangers.

33. It is undisputed that MySpace's recent surge in popularity is driven by the onslaught of young underage users joining and using MySpace. To that end, MySpace has a very strong financial incentive to ensure that MySpace's popularity with young underage children remains intact, and continues to increase. MySpace has no financial incentive to institute any meaningful security measures to increase the safety of

young underage MySpace users. In fact, MySpace's interest is to ensure that access to MySpace by young underage children remains effortless and unfettered.

34. Despite MySpace's knowledge of the increasing occurrences of sexual assaults on young underage MySpace users by adult MySpace users, and despite MySpace's express representations to the contrary, there are absolutely no meaningful protections or security measures to protect young underage users from being contacted by adult sexual predators on Myspace.

35. MySpace's numerous representations to the public of "extra precautions" and "special protections" in place that "ensure users of all ages have a safe and meaningful experience" are false and dishonest. Attorney Generals' Offices across the United States have made it abundantly clear that Defendants' representations lack any substance.

36. Despite all the warnings, the numerous incidents of sexual assaults on young underage MySpace users by adult MySpace users, and their widely-publicized claims of safety to the public, MySpace has still not instituted any meaningful changes or additional security measures to effectively increase the safety of their young underage users.

FIRST CLAIM FOR RELIEF

~~–Defendants Myspace and News Corp. were negligent–~~

37. Plaintiffs repeat and reallege the allegations contained in paragraphs "1" through "36" above as if set forth at length herein.

38. Defendants constructed a website that allows people of any age to join and indiscriminately communicate with each other. Defendants actively encourage

young underage children and adults to join Myspace and socialize with complete strangers.

39. Defendants expressly and implicitly represented that their website was safe for young underage users, but Defendants had actual and constructive knowledge that they had no meaningful security measures or policies in place to effectively safeguard young underage Myspace users from being contacted by dangerous adult MySpace users.

40. Furthermore, Defendants had actual and constructive knowledge of numerous sexual assaults and attempted sexual assaults of young underage MySpace users by adult MySpace users who used MySpace to initiate contact with them and draw them out.

41. Defendants owed a legal duty to 14-year-old Julie to institute and enforce appropriate security measures and policies that would substantially decrease the likelihood of danger and harm that MySpace posed to her. This is especially true given that Julie is a minor that lacks the capacity to discern friends from predators posing as friends.

42. Defendants breached their duty by publicly touting the effectiveness of their security measures and policies they knew or should have known were utterly ineffective in deterring the likelihood of danger and harm to 14-year-old Julie. Defendants also breached their duty by failing to act to substantially decrease the likelihood of danger and harm to 14-year-old Julie upon gaining actual and constructive knowledge of the danger and harm. Defendants' representations gave the sense of security when no security exists.

43. Defendants' breach of their duty proximately caused the sexual assault of 14-year-old Julie. The physical, psychological and emotional trauma 14-year-old Julie endured is indescribable and permanent. Defendants are the proximate cause of 14-year-old Julie's injuries.

44. Plaintiffs seek actual and exemplary damages against Defendants.

45. MySpace and News Corp. are jointly and severely liable for these damages.

SECOND CLAIM FOR RELIEF

-Defendants Myspace and News Corp.'s acts constitute gross negligence-

46. Plaintiffs repeat and reallege the allegations contained in paragraphs "1" through "45" above as if set forth at length herein.

47. Defendants has knowingly and purposely ignored the health and safety of young Myspace users in exchange for ensuring open access to Myspace thereby fueling its growth among minors.

48. Defendants' actions, along with their omissions to act, when viewed objectively from their own standpoint, during the timeframe discussed *supra*, involved an extreme degree of risk and callousness. Particularly in light of:

- (1) Defendants' actual knowledge, awareness, and conscious indifference of the extreme dangers MySpace posed to young underage MySpace users;
- (2) Defendants' actual knowledge, awareness, and conscious indifference that adult MySpace users were able to contact and were regularly contacting young underage MySpace users, obtaining their personal information, and sometimes sexually assaulting them;

- (3) Defendants' actual knowledge, awareness, and conscious indifference to the warnings given them by Attorneys General' Offices around the United States;
- (4) Defendants' actual knowledge, awareness, and conscious indifference to the misrepresentations they made to Plaintiffs and the public at large regarding the safety and security of MySpace for young underage MySpace users; and
- (5) Defendants' actual knowledge, awareness, and conscious indifference to not institute even the most minimal and inexpensive of security measures that would have greatly increased the safety of young underage MySpace users from being contacted by, exploited, and sexually assaulted by adult MySpace members.

49. Defendants knew there was a likelihood of serious injury and harm to young underage MySpace users, particularly 14-year-old Julie, and there was more than just a remote possibility of injury. Defendants had actual knowledge of other incidents that occurred in nearly the exact same manner as the incidents complained of herein (sexual assaults of young underage MySpace members by adult MySpace members), and to the exact same class of persons (young underage MySpace users).

50. Defendants' actions, along with their omissions to act, demonstrate a conscious indifference and utter disregard for the rights, safety, and welfare of young underage MySpace users, particularly 14-year-old Julie.

51. Plaintiffs seek actual and exemplary damages against MySpace and News Corp. for gross negligence.

52. MySpace and News Corp. are jointly and severely liable for these damages.

THIRD CLAIM FOR RELIEF

~~–Defendants Myspace and News Corp. committed fraud–~~

53. Plaintiffs repeat and reallege the allegations contained in paragraphs “1” through “52” above as if set forth at length herein.

54. Defendants made express and implied representations to Plaintiffs, both directly and indirectly. Defendants posted express representations on MySpace and made numerous material and false express and implied representations to the public that MySpace was safe for young underage MySpace users. These material and false representations were untrue, deceptive and misleading.

55. Defendants made these material and false representations knowing they were false and/or made them recklessly without knowledge of their truth and as a positive assertion of fact.

56. Defendants made these material and false representations with the intent that Plaintiffs rely upon them and with the expectation that Plaintiffs would act in reliance on them.

57. Defendants knew of MySpace’s material and false representations, Plaintiffs relied upon them, and Plaintiffs’ reliance was justifiable.

58. Defendants’ material and false representations were the direct and proximate cause of Plaintiffs’ injuries.

59. Plaintiffs seek actual, direct, consequential and exemplary damages against MySpace and News Corp. for fraud.

60. MySpace and News Corp. are jointly and severely liable for these damages.

FOURTH CLAIM FOR RELIEF

-Defendants Myspace and News Corp. made negligent misrepresentations -

61. Plaintiffs repeat and reallege the allegations contained in paragraphs "1" through "60" above as if set forth at length herein.

62. Defendants made express and implied representations to Plaintiffs in the course of MySpace's business and/or during transactions in which Defendants had an interest. Defendants knew or should have known that Plaintiffs were members of the class of persons that would receive their false and material representations. These false and material representations included misstatements of material facts and were made in regard to the security and safety of MySpace for young underage MySpace users.

63. Defendants supplied this false information for the guidance of others and Plaintiffs in their business.

64. Defendants did not exercise reasonable care or competence in obtaining and/or communicating information regarding the safety and security of MySpace for young underage MySpace users.

65. Plaintiffs justifiably relied on Defendants' negligent misrepresentations and were thereby injured. Defendants' negligent misrepresentations were there proximate cause of Plaintiffs' injuries.

66. Plaintiffs seek actual and exemplary damages against MySpace and News Corp. for negligent misrepresentations.

67. MySpace and News Corp. are jointly and severely liable for these damages.

PRAYER FOR RELIEF

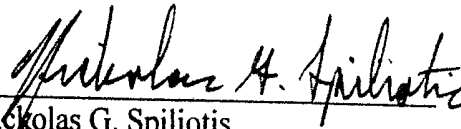
WHEREFORE, Plaintiffs hereby request that the Court enter judgment in their favor and against Defendants Myspace and News Corp. as follows:

- A. That Defendants Myspace and News Corp. be held jointly and severally liable to Plaintiffs for all economic and non-economic damages assessed against them;
- B. Jane Doe, individually, recover all medical and psychological counseling expenses that have been incurred and may be incurred in the future, on behalf of Julie Doe, while Julie Doe is a minor;
- C. Jane Doe, as next of friend of Julie Doe, her minor daughter, recover compensatory and exemplary damages for Julie Doe's pecuniary loss, mental anguish, psychological trauma, pain and suffering, and emotional distress, in the past and the future, as well as future medical and psychological counseling expenses;
- D. Pre- and post-judgment interest on all amounts awarded at the maximum interest rate provided by law;
- E. Reasonable and necessary attorneys' fees, expenses and costs of suit as provided by law; and
- F. On all claims for relief, punitive damages be assessed and such other further and other relief as the Court deems just and proper.

JURY TRIAL DEMANDED

Plaintiffs hereby demand a trial by jury.

Dated: September 25, 2006
Houston, Texas


Nickolas G. Spiliotis
Kurt B. Arnold
Jason A. Itkin
ARNOLD & ITKIN LLP
700 Louisiana Street, Suite 4700
Houston, Texas 77002
(713) 222-3800

Adam J. Loewy
Carl R. Barry
BARRY & LOEWY LLP
One Congress Plaza
111 Congress Avenue, Suite 400
Austin, Texas 78701
(800) 892-5044

ATTORNEYS FOR PLAINTIFFS

ATTORNEY'S VERIFICATION

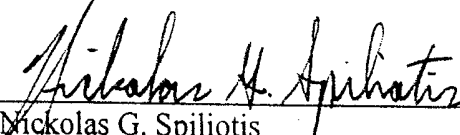
NICKOLAS G. SPILIOTIS, an attorney duly admitted to practice law in the Courts of the State of New York, affirms under the penalties of perjury as follows:

I am the attorney for the plaintiff in the above captioned action. I have read the foregoing Verified Complaint and know the contents thereof which are true to my knowledge, except as to the matters therein stated to be alleged on information and belief and that as to those matters, I believe them to be true.

The reason this verification is made by me and not by plaintiff is that plaintiff was not present in the County wherein I maintain my offices when the Complaint was prepared.

The source of this information and the grounds of my belief communications with my client and others, papers, reports, and investigation contained in the file.

Dated: Houston, Texas
September 25, 2006


Nickolas G. Spiliotis

March 20, 2006

Attorney Christine Varney
Hogan & Hartson, LLP
Columbia Square
555 Thirteenth Street, NW
Washington, D.C. 20004

Dear Ms. Varney:

I have appreciated your responding to my concerns about MySpace.com ("MySpace"), providing the opportunity to meet with you and your colleagues, including MySpace.com's Chief Executive Officer Chris DeWolfe, as well as our continuing discussions.

The preliminary steps outlined in your letter are a welcome start, but I am deeply concerned that they would leave children at risk from pornography and sexual predators and other potential problems. While our discussions have been encouraging, I ask MySpace to take certain specific practical steps to address immediately the most critical concerns identified by my office. These measures are technologically feasible, as well as consistent with your stated terms of service and your own explicit goal of prohibiting nudity and other offensive or inappropriate material from your website:

- Provide filtering software on the website that parents can download to block access to MySpace, as well as other websites that include sexually explicit material and other inappropriate content.
- Ban anyone under 16 from MySpace. If 14 and 15 year olds have access to any site, it should be separate and distinct. This new possible website should also ban children under the age of 14.
- Initiate a member login with age verification to regulate visitors viewing other member profiles, including pictures and access to group materials. Any access to adult content should be vigorously restricted to individuals 18 or older.
- Implement technology to ensure that 14 and 15 year olds are prohibited from changing their profile settings from private to public, and no photos or profiles of minors can be viewed by anyone older than 16 without parental consent.
- Increase staffing and employ additional filtering technology to effectively block nudity and sexually explicit images and other violations of MySpace terms of service and preclude people looking for sex from communicating or contacting

EXHIBIT

children. MySpace should also do proactive manual searches of its site for material that violates its terms of service.

- Delete anyone who violates MySpace terms of service, and permanently ban a user from MySpace for continually posting prohibited deep links with pornography or other inappropriate material.
- Establish the new Security Director as an aggressive watchdog independent and separate from the corporate hierarchy reporting directly to the Board of Directors.
- Delete explicit reference to swingers as a browse term and groups or clubs identified as swingers or people seeking sex.
- Fully disclose in clear and conspicuous terms that MySpace contains explicit sexual content and users seeking sexual encounters, and prior use of the site by sexual predators to target minors.

Although new technology may be needed to fully protect children, much of it is already available. This site now exposes young people to a perilous cyber environment with people posting sexually explicit materials and looking for sexual relationships. In fact, children can still view pornographic images, links to X-rated websites, "clubs" involving adults seeking sexual encounters, and webcam sex for sale offers. I ask you to adopt my proposed steps immediately even as you develop new technology offering better protections.

I am prepared to continue our constructive discussions and ask that you contact my office. I welcome any other ideas you may have for advancing our shared goal of making MySpace a safe site for all. Again, thank you for taking the time to visit us and being responsive to our concerns. I look forward to making further progress in the coming days.

Sincerely,

RICHARD BLUMENTHAL

RB/pas



JIM PETRO
ATTORNEY GENERAL
STATE OF OHIO

30 E. Broad St., 17th Fl.
Columbus, OH 43215-3428
Telephone: (614) 466-4320
Facsimile: (614) 466-5087
www.ag.state.oh.us

March 24, 2006

Chris DeWolfe, CEO
MySpace.com
1333 2nd Street
Santa Monica, CA 90401

Dear Mr. DeWolfe:

I am increasingly concerned by reports that young children using MySpace.com have been victims of harassment, sexual solicitation, and even sexual assault. One such incident is currently under investigation by the Broadview (Ohio) Police Department involving the alleged rape of a 14-year-old Ohio student by an adult male she met on your Web site. Although social networking sites can be a fun way to interact with friends and family, I am concerned that your current operating policies may place children at risk.

Over the last several months, my office and local law enforcement have received complaints from parents regarding the type of information minors can access on your site. A simple search of your site demonstrates that children can easily access a myriad of inappropriate material such as pornographic images, ads for sexual products, obscene language, and various references to the use of illegal substances. This material is in direct conflict with paragraph five of your "Terms of Use Agreement" which states, "a profile may not include the following items: ...photographs containing nudity, or obscene, lewd, excessively violent, harassing, sexually explicit or otherwise objectionable subject matter".

To address these concerns, I ask that you consider the following actions to safeguard children against potential abuse and exploitation. My office believes these enhancements would be in the best interest of all affected parties.

EXHIBIT

B

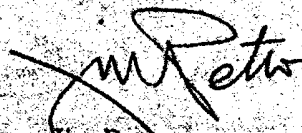
DeWolfe, Chris
March 24, 2006
Page 2

1. Increase the minimum user age from 14 to 16 and prohibit adult users from accessing the profiles of minors.
2. Explicitly state in the Terms of Use Agreement and during login that the site contains sexually explicit material and that users have no expectation of privacy in regards to information posted on MySpace.com
3. Require that all new users enter a verifiable credit card number during the registration process. Upon successful completion of the verification process, a brochure describing the site and a hard copy of the Terms of Use Agreement should be sent to the card holder.
4. Place a "report misconduct" button on every MySpace page.
5. Increase the company's ability to identify, remove, and respond to violations of MySpace policies by expanding the use of filtering technology.
6. Implement a "zero tolerance" policy regarding the violation of MySpace Terms of Use Agreement. Members violating the policy should be permanently barred from the site and their profiles should be purged from the system.
7. Establish an independent board or commission to assist the company in proactively dealing with privacy and security concerns.
8. Prohibit minors from accessing groups, clubs, or profiles that contain adult content.

Although the convenience of the Internet may be a gateway to limitless information, it can also be fraught with pitfalls that may be dangerous to the unsuspecting user. Under its current conceptualization, MySpace increases youth exposure to inappropriate material, placing them at a higher risk of victimization. It is my hope that you will immediately move to implement the recommendations listed above.

If you have any questions or concerns, please do not hesitate to contact me.

Very Truly Yours,



Jim Petros
Ohio Attorney General



THE OFFICE OF MASSACHUSETTS ATTORNEY GENERAL *Tom Reilly*

MEDIA CENTER

[Home Page](#) > [Media Center](#) > [Full Article](#)

AG REILLY DEMANDS CHANGES TO MYSpace.COM WEBSITE TO PROTECT TEENS FROM ONLINE PREDATORS

Calls on website to take immediate steps to be

May 2, 2006

**CONTACT: MEREDITH BAUMANN
(617) 727-2543**

BOSTON -- Attorney General Tom Reilly is demanding that MySpace.com, the popular social networking site, make dramatic changes to its web site to ensure the safety of minors who use MySpace.

In a letter to company officials, AG Reilly demanded that MySpace increase its minimum user age from 14 to 18 after an investigation he launched in March 2006 revealed that MySpace does not have sufficient safeguards in place to protect children from sexually explicit and other inappropriate content.

AG Reilly's investigation also raised concerns that potential child predators use MySpace to locate and communicate with possible victims and that MySpace is also used to post violent images or content to bully or threaten children.

"MySpace allows 14 and 15 year-olds to register as members of its 'community' and claims to be able to protect their safety," AG Reilly said. "Our investigation revealed that these measures are not effective and do not protect children from being exposed to inappropriate content they just shouldn't see."

AG Reilly called on MySpace to improve the safety and security of its site by:

- Instituting an age and identity verification system;
- Equipping every MySpace page with a "Report Inappropriate Content" link;